



MONTAUK CREDIT UNION

UNDER SUPERVISION OF NY STATE BANKING DEPT.

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April 3, 2009

Ms. Mary F. Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Subject: Comments on Advanced Notice of Proposed Rulemaking for part 704, Corporate Credit Unions

Dear Ms. Rupp:

On behalf of the Montauk Credit Union and its four thousand members, I would like to take this opportunity to comment on NCUA's Advance Notice of Proposed Rulemaking (ANPR) regarding the restructuring of the corporate credit union system. The credit union system has been materially impacted by the need to recapitalize the NCUSIF; this coupled by the poor economic condition our country finds itself in makes it increasingly difficult. Credit unions have had time to absorb all the information afforded them during the past several months, and due to the interest this issue has generated it is perhaps unprecedented, and most definitely a stressful period of history.

Montauk Credit Union is a member of Members United Corporate Federal Credit Union. It is our view that they play a very critical role in the day to day operation of our credit union. Below is a summary of the services provided by Members United that Montauk Credit Union and our members use on a daily basis.

- Share draft processing
- Corporate draft processing
- Cash letter processing
- ACH Processing
- Electronic transfer services
- Line of credit
- Settlement of all services
- Loan Participation (no longer available to do)

As is abundantly evident, Montauk Credit Union relies quite a bit on the many services offered by Members United. We would be severely impacted if Members United Corporate FCU was no longer in business, or did not have the capability to provide the quality products we so depend on.

That said Montauk Credit Union believes a change is needed in the corporate credit union system. Twenty plus corporate credit union are no longer necessary. Reducing the number of corporates should

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be a priority for the NCUA. Incidentally, Members United Corporate FCU is the result of multiple mergers (eight states). It serves approximately 25% of all natural person credit unions in the United States. We would like to see similar consolidations amongst the other regions of the country. We feel that no more than four corporate credit unions are needed and strongly feel that multiple tiers of Corporate Credit Union's i.e., US Central, are no longer necessary.

U.S Central for a number of years played an important role in the credit union system. Recently, however their import has been reduced, and it created a redundancy in the system. Four total corporates, covering the 50 states is a more efficient system that will afford all credit unions the high standard of service we have grown accustomed to. Additionally, by limiting the number of corporate credit unions to four, and eliminating multiple tiers; capital accumulation also benefits. Eliminating the two tier corporate system, capital redundancy will no longer exist; therefore faster capital growth will result.

Thank you for providing Montauk Credit Union the opportunity to comment on such an important issue. We truly value our relationship with Members United Corporate FCU, and we hope to continue to utilize their services, which ultimately benefit our members.

Sincerely,

A handwritten signature in black ink, appearing to read 'LJ', with a long horizontal line extending to the right.

Louis Jimenez
Treasurer/CEO